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## Vienna Insurance Group:

### Market entry in Bosnia-Herzegovina through the acquisition of Jahorina

The **Vienna Insurance Group AG Wiener Versicherung Gruppe** has signed a contract to acquire a majority stake in the insurer **Jahorina Osiguranje AD Pale (Jahorina)** in the **Republic of Bosnia-Herzegovina** after successfully concluding due diligence. After the closing of this transaction, the leading insurance group in Central and Eastern Europe will be represented in 25 markets in the region. The Vienna Insurance Group acquires approximately 88.5 percent of the capital respectively approximately 92 percent of the voting shares. The acquisition is subject to regulatory approvals.

*"Bosnia-Herzegovina is an upcoming market which, after a period of political and economic uncertainty, now has great potential to catch up. The long-term prospects point towards a strong increase in demand and thus suggest strong future growth in the insurance sector,"* explains **Günter Geyer, CEO of the Vienna Insurance Group**. *"With entry into the Bosnian market, we have expanded the Vienna Insurance Group's network to 25 countries and have moved into another white spot on our map of Central and Eastern Europe."*

#### Facts about Jahorina

Jahorina was established in 1992 as a property insurer in Pale (autonomous region Republika Srpska) and has about 215 employees by now. Since the first quarter of 2010, the company has also offered life insurance. In the first half of 2011, Jahorina registered premiums of approximately EUR 5.7 million. Of this amount, about 98 percent are in the non-life sector, especially motor insurance; 82 percent of the premium income is generated in the Republika Srpska. In recent years, Jahorina has achieved very high growth rates and is the market leader in the Republika Srpska, with a market share of 13.6 percent. Based on the overall market in Bosnia-Herzegovina, the company ranks 9th with a market share of 4.5 percent. Jahorina is listed on the Banja Luka stock exchange.

#### Bosnia-Herzegovina

The Republic of Bosnia-Herzegovina consists of the two autonomous regions, the Republika Srpska and the Federation of Bosnia-Herzegovina, and has a total population of approximately 4.6 million. In recent years, the political and economic stability of the country has improved significantly and today provides a sound environment for promising development of the Bosnian insurance market. The current market data illustrate this potential: The insurance penetration (annual premiums per capita) was approximately EUR 63 in Bosnia-Herzegovina in 2010 as compared to about EUR 75 in Serbia and more than EUR 2,500 in the EU-15 countries.

The listed Vienna Insurance Group (VIG) is one of the leading insurance groups in CEE headquartered in Vienna. Outside of its home base in Austria, Vienna Insurance Group is also active, through subsidiaries and insurance holdings, in Albania, Bulgaria, Germany, Estonia, Georgia, Croatia, Latvia, Liechtenstein, Lithuania, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, the Czech Republic, Turkey, Hungary, Ukraine and Belarus. Moreover, Wiener Städtische Versicherung has branches in Italy and Slovenia; Donau Versicherung has a branch in Italy.

On the Austrian market, the Vienna Insurance Group (VIG) positions itself with Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung.

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